Alberta Agricultural Products Marketing Council

Annual Report 1998 -1999

Alberta
AGRICULTURE, FOOD AND RURAL DEVELOPMENT

Alberta Agricultural Products Marketing Council

Vision Statement:

We are a council committed to working in partnership with others to meet the challenges of achieving a world class agriculture and food industry.

Mission Statement:

Our mission, in administering the legislation, is to enable commodity organizations to assist their industry to be more profitable and globally competitive in Alberta's expanding agriculture and food sector.

Goals:

1. Effective working relationships.
2. Effective council, boards and commissions.
3. A growing and viable agriculture and food sector.

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ALBERTA
AGRICULTURE, FOOD AND RURAL DEVELOPMENT

Office of the Minister

January 24, 2000

To Her Honour the Honourable Lois E. Hole
Lieutenant-Governor of the Province of Alberta

Madame:

I have the honour to submit herewith the annual report of the Alberta Agricultural Products Marketing Council for the fiscal year ending March 31, 1999 and in accordance with the provisions of the Marketing of Agricultural Products Act.

Yours truly,

Ty Lund
Minister

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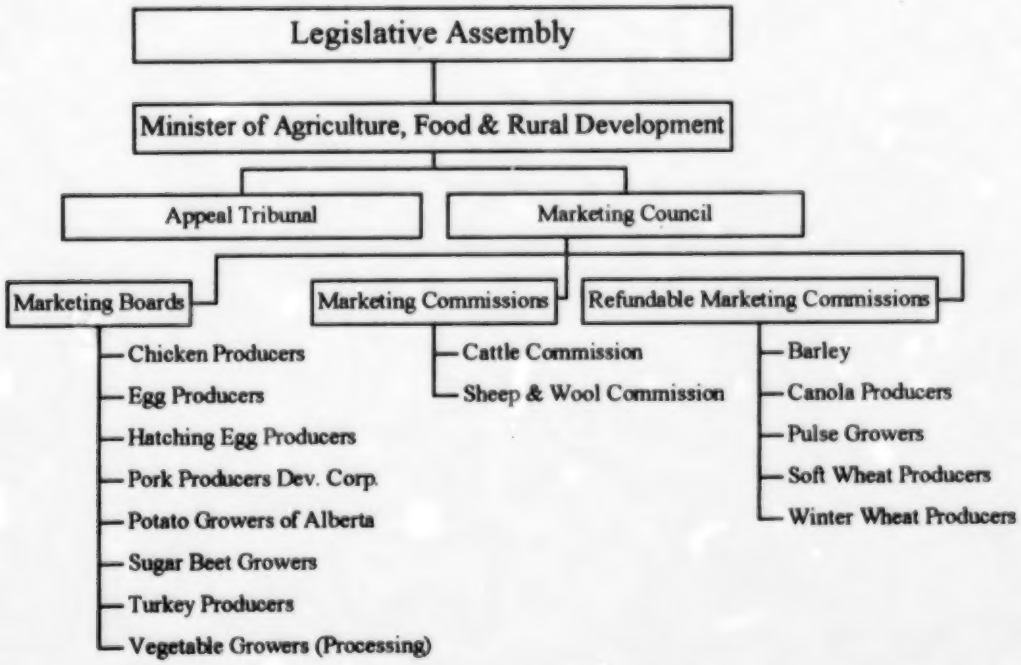
A Brief History

Established in 1965 by the *Marketing of Agricultural Products Act*, the Alberta Agricultural Products Marketing Council is charged with facilitating the establishment and supervising the operations of agricultural marketing boards and commissions.

Currently, there are 15 producer boards or commissions under the Act. The oganizational chart (see below) lists those groups and outlines their primary areas of responsibility. Powers of the individual boards vary with the needs of the commodity group it serves.

The Alberta Agricultural Products Marketing Council has a liason role between the province and the national council. The National Farm Products Council (NFPC) oversees the operations of agencies with national marketing plans.



Chairman's Report

The 1998/99 fiscal year was one of change and transition for Marketing Council. As Chaiman, I am pleased to provide an overview of Marketing Council's activities over the past year.

Progress contined on the Regulatory Review process. By the end of March 1999, all but three commissions had completed regulatory review, and they are expected to to file updated regulations early in the new fiscal year. A total of 64 regulations were reviewed by Marketing Council and working group members, and either repealed or amended as part of the regulatory review process. While this was a time consuming process for all parties, the boards and commissions are operating under new and more relevant legislation.

In June 1998, Marketing Council hosted a meeting between the Minister of Agriculture, Food and Rural Development, the Honourable Ed Stelmach, and the directors of the boards and commissions. The meeting provided boards and commissions with an opportunity to meet with the Minister and discuss issues of concern to their industry. Given the positive feed back we received, Marketing Council intends to make this a regular event.

Council was also kept busy with the constitutional challenge against the *Marketing of Agricultural Products Act*. In October, Justice Moshansky of the Calgary Court of Queen's Bench accepted the arguments of the plaintiff and struck down the Act and regulations. The Alberta Court of Appeal granted a stay of the Justice Moshansky decision in December. An appeal of the ruling is scheduled for September 1999. As a result of the ruling, Council is taking a close look at the Act to determine if amendments are required.

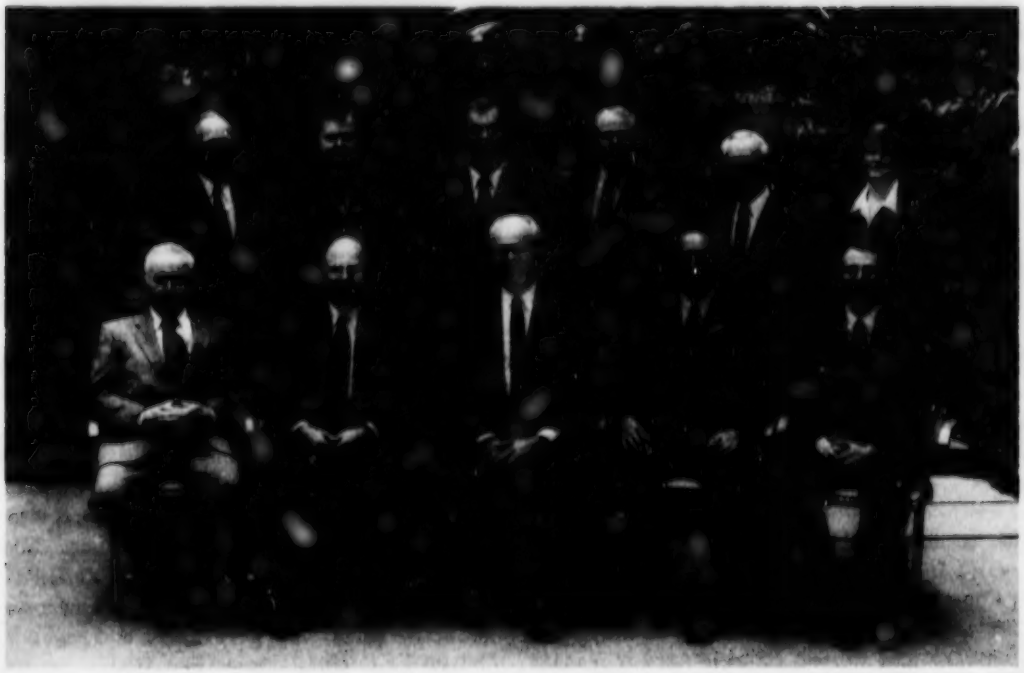
In July, the Federal and Provincial Ministers of Agriculture committed to a review of the existing Federal-Provincial Agreements for poultry and eggs. These agreements define the relationship between the provinces in the national orderly marketing system. The objective of the review is to make the agreements more flexible and market responsive. Marketing Council staff members will participate on the working groups established to draft the revised agreements.

At the request of boards and commissions, Council facilitated an "Effective Board Governance" workshop for new and existing directors. The two-day workshop was well attended and the feedback from participants was very positive. Participants at the workshop coverd a wide range of topics, including running effective meetings, stratgic planning, board member roles and responsibilities, and conflict resolution. Council will continue to provide learning opportunities aimed at strengthening the leadership and governance capabilities of directors of boards and commissions.

In February, Marketing Council conducted a major review of its strategic plan. With the completion of the Regulatory Review process, which was Council's primary focus for the past three years, it was time for Council to review and reaffirm its Vision, Mission, and Goals. The focus of Marketing Council's 1999/2000 – 2003/04 Strategic Plan is on fostering effective leadership, governance and regulations by boards and commissions.

Marketing Council also welcomed two new staff members. Christine Anderson joined Council in June as the Manager of Projects and Policy. In October, Mike Pearson replaced Diane Aves as the Manager of Corporate Affairs. They are a welcome addition to the Council team. As Chairman, I would like to recognize the tremendous contribution Diane Aves made during her ten years with Council. We wish her well in her retirement.

Frank Fallwell
Chairman



Back row (left to right): Bill Lawton, John Knapp – Department Representative, Ron Sutka, Rod Bradshaw, George Schoepp, Christine Anderson – Manager Projects & Policy

Front row (left to right): George Murphy, John Richter – Vice Chairman, Frank Fallwell – Chairman, Brian Rhiness – General Manager, Mike Pearson – Manager Corporate Affairs

Alberta Barley Commission

On behalf of barley producers, the Alberta Barley Commission coordinates, sponsors or co-sponsors agronomic research, market development and promotion information, technology transfer and policy development.

During 1997-98, Alberta Barley Commission (ABC) projects continued to move the barley industry forward while contributing to the economic wellbeing of the province's barley producers. Alberta barley farmers, who grow nearly half of Canada's barley crop, support ABC initiatives through a refundable check-off of 40 cents per tonne of barley sold.

A highlight on the research front was the grand opening of the $1.6 million *J.H. Helm Cereal Research Centre* in Lacombe. This growth facility, the only one of its kind in the world, allows breeders to grow plants year-round, substantially reducing the time required to introduce new varieties to the marketplace. The ABC contributed $500,000 toward the facility.

Research projects approved for funding during the year totaled $426,000. Approximately $254,000 was alloted for barley breeding, $96,000 for food, malt and industrial uses while the remainder went to agronomy and feed quality assessment.

The ABC is hoping to build on research that shows the advantages of barley on heart health by participating in a heart study partnership with the United States and Australia, the world's other large barley producing countries.

Pursuing new market opportunities for barley, the ABC launched a review in partnership with the Government of Alberta to investigate the potential of a barley fractionation facility in Alberta. To be completed in the 1998-99 crop year, the review will look at the feasibility of fractionating barley into components for applications in paper manufacturing, feedstuffs, food and pharmaceuticals.

The ABC was intrumental in establishing a case for the Canadian International Grains Institute to conduct a comprehensive course on barley foods. Processors from Japan, representing the miso, barley tea, shochu, and rice extender industries, as well as industry represenatives from Western Canada, participated in the course. Japan is an important market, with one of the most developed food and beverage markets for barley in the world.

A major change in the structure of the ABC was the introduction of a delegate body system allowing more farmers to be involved in the work of the organization. The new structure will provide greater depth to the organization and a means to establish province-wide consensus on issues.

The ABC broadened its policy role during the last fiscal year, tackling marketing, handling, transportation, grain standards and international trade issues. It continued the appeal of Justice Francis Muldoon's decision respecting the challenge of the Canadian Wheat Board Act, under the Charter of Rights and Freedoms. The federal appeal hearing is expected in spring 1999.

Alberta Canola Producers Commission

The Alberta Canola Producers Commission develops and implements projects and programs to increase and improve the production and marketing of canola; informs producers; and, advises governments on matters concerning the canola industries.

Research and development continued to be an important part of the Alberta Canola Producers Commission (ACPC) mandate during 1997-98, helping improve net returns to producers and meeting market demands of supply and quality.

Foremost for the ACPC was the signing of a five-year, $2-million research agreement with Agriculture Canada for the Lacombe and Beaverlodge stations. ACPC will contribute $100,000 annually toward canola agronomic research. As well, $50,000 a year will be allocated to support a plant pathologist for canola-related agronomic research.

While research and development is vital to boost markets for Alberta canola growers, a number of issues threatened market delivery. The ACPC, with its provincial and federal counterparts, strongly opposed federal legislation under Bill C-4, which would have permitted the Canadian Wheat Board to market rapeseed, flax and canola. In today's highly competitive marketplace, the ACPC wants to maintain producers' freedom of choice with no delivery restrictions. As a result of the lobby, Bill C-4 was delayed while the Canadian Senate held public hearings, and the final approved bill did not contain those clauses.

On another front, the ACPC encouraged the Canadian Wheat Board to drop its court case against the railways and allow a Grain Handling and Transportation review to proceed without undue delay. ACPC's input into the Estey review of grain transportation and handling centred on accountability, timely delivery, rail competition and car allocation.

West coast labor disruptions continued to be a source of concern for western Canadian grain and oilseed producers. A significant amount of Canadian grain and oilseed is funneled through these ports and customers are concerned about a reliable supply of grain and oilseeds. Five of the last six labor disputes have stopped the flow of grain, prompting the ACPC to support changes to Canada's labor code under Bill C-19. In June 1998, the Bill passed forcing west coast non-grain employers and unions to keep grain moving even if they are in a dispute which stops the movement of other commodities.

On the provincial front, the ACPC opposed implementation of a 'log book' for farm vehicles, recommended as a farm vehicle safety initiative. Because most large farm vehicles travel only 5,000 to 10,000 miles per year, the ACPC suggested a mechanical inspection every other year would suffice.

ACPC strives to improve long-term profitability of Alberta canola producers by developing consumer awareness campaigns and educational opportunities. Research indicates fats and food safety are the main food concerns of consumers. In response, the ACPC helped develop a new display challenging the myths and misconceptions about fats and oils, and food safety. It also promoted an individual's responsibility for food handling.

Alberta Cattle Commission

The Alberta Cattle Commission enhances the economic well-being of Alberta cattle producers by lobbying government, enhancing the industry's image, promoting beef to consumers, liaising with producers and executing industry programs and services.

A five-year plan for the Alberta Cattle Commission (ACC) was developed and approved in 1998-99. The plan will help ensure the economic viability of the cattle industry in Alberta.

The plan called for increased funding for export market development, expanded beef promotion activities, strengthened producer communications and increased lobbying efforts. As such, a key component of the plan was a 50 cent increase in the service charge from $1.50 per head to $2.00. Effective April 1, 1999, this increase was the first in 12 years.

During the year, trade was the most significant issue. The U.S. Department of Commerce initiated anti-dumping and countervailing duty investigations based on a petition filed by Ranchers-Cattlemens' Action Legal Fund (R-CALF). Through the national Canadian Cattlemen's Association, an aggressive defense was mounted. It is expected that the final cost to defend the industry will be approximately $5 million. Alberta is committed to cover its 54 percent share of the costs.

Intensive livestock operations and manure management were the major issues facing the cattle industry last year. With the continued growth of the industry in Alberta combined with the expansion of urban areas, strong action from ACC will be required to maintain a positive community image.

Also during the year, the ACC provided input into an agriculture lease review report proposing changes to regulations governing Crown grazing dispositions. ACC made a number of submissions to the Alberta government regarding the report, noting its economic, political and legislative concerns.

The issue of food safety continued to top the ACC agenda, as it supported the work towards a health traceback capability for cattle herds. The ACC believes export markets continue to depend on the industry's reputation for producing safe and wholesome beef. In the future, a national identification system will be required by global trading partners.

For the past year the ACC has worked, in cooperation with five Alberta cattle industry associations and the Alberta Government towards privatizing brand inspection services. The ACC believes that since industry pays for the service, industry should also administer it.

During 1998-99 the ACC continued to manage the $16.4-million Canada-Alberta Beef Industry Development Fund. To March 31,1999, the fund has supported 45 beef production-related projects valued at $12.5 million. Projects include animal health, feedlot, cow/calf, manure management, sustainability and intellectual resources. A team of five leading producers from a broad spectrum of the cattle business work alongside government advisers to ensure that funding goes to the most practical and worthy research projects.

Beef promotion continues to be the ACC's most significant role, accounting for 75 per cent of its spending. In addition to providing the majority of the national promotion funding for the Beef Information Centre, the ACC is the largest industry supporter of the Canada Beef Export Federation for international marketing activities.

Alberta Chicken Producers

Alberta Chicken Producers regulate the production of chickens, allot production and marketing quotas and represent producers at national agency meetings.

A new allocation agreement with the Chicken Farmers of Canada was a significant accomplishment for the Alberta Chicken Producers (ACP) in 1997-98. The agreement provides for enhanced growth by western Canadian producers in comparison to the rest of the country, provided producers can effectively market the product on an ongoing basis.

Changes to the new future base quota system were also established. The new system will help ensure base quotas are placed with those producers whose focus is clearly on the industry's future. It also ensures any profits from new base quotas will accrue to industry and not to individuals. This new funding source will allow for a reduction of service charges, financing of research and the introduction of other producer-approved programs.

During the year the ACP committed $500,000 over a five-year period toward a proposed 8,000-square-foot federally inspected processing facility at the University of Alberta Poultry Research Centre. To date $200,000 has been forwarded to the University of Alberta Research Centre Capital Drive Fund. As well, producers voted to invest a further $400,000 for the centre.

A Hazard Analysis Critical Control Point quality assurance plan continued as a priority for the ACP. Producers demonstrated real effort in implementing the plan in 1997-98. Ambassadors were set up across the province to encourage its use.

Improving and expanding value chains remained a focus as well. Value chains are alliances among independently owned operations, which could include processors, hatcheries, producers, feed suppliers and restaurant chains. By building a solid foundation, the ACP hopes to give significant rewards to the consumer and to all partners in the Alberta chicken industry.

Six research projects, ranging from vaccination methods to harvesting procedures, received ACP approval in 1997-98. Because the ACP year-end changed from August 31 to November 30, a second set of five research proposals was also approved.

Promotion and education continues to be a focus for the ACP. It worked in cooperation with the Alberta Turkey Producers on several programs. Trade fairs, health promotion and a toll-free information line form part of ACP promotional efforts.

Partnering was again vital as the ACP worked with other associations on Intensive Livestock issues. Combining forces will help formulate an environment that will allow for the future production of chicken in Alberta.

Alberta Egg Producers Board

The Alberta Egg Producers Board stabilizes the egg industry against extreme fluctuations in price, improves the monetary returns to producers, monitors the quality of eggs, improves productivity through research and encourages consumption of fresh eggs.

1998 was a year of transition at the Alberta and national levels for egg producers. The Canadian Egg Marketing Agency authorized a quota of more than 1.3 million birds to supply the processed egg market beginning in 1999. Of this amount, 430,000 birds, including 25,000 to Alberta, will receive full cost of production value while the other 900,000 birds will receive export pricing. Alberta has applied for an additional 300,000 units of export industrial quota, to support interest by Alberta producers.

Alberta experienced a shortage of large eggs and a surplus of medium eggs available to the table market in the late summer and into the Christmas season. The producer paying price differential between large and medium eggs was increased to as much as 21 cents per dozen during December to encourage consumers to purchase medium eggs and further encourage producers to manage their flocks to produce a greater proportion of large eggs.

The shortage of supply in Alberta was fueled by population growth and increased per capita consumption of eggs. Those factors, combined with the Northwest Territories' pending entry in the national system at a quota level several times their self-sufficiency requirements, prompted the Board to request more quota to supply Alberta's table market.

Supporting sound research and technology development is critical to ensure the long-term viability of the egg industry. The Alberta Egg Producers (AEP) Board continued its involvement in three University of Alberta projects. One is investigating the feasibility of incorporating linoleic acid in eggs, which could have important implications as these fatty acids may help protect against some cancers. A second study is centred on whether surimi technology can be used to develop value-added poultry products from spent hens. The outcome may lead to new product development opportunities. A third project is investigating whether trans-fatty acids are transferred from layer feed into egg yolks. These undesirable fats exist in high concentrations in some fat supplements which may be used in layer diets, and the possibility exists that these may appear as components of the egg yolk.

During 1998 the AEP Board committed $300,000 over five years to the renovation and expansion of the Poultry Research Centre at the University of Alberta. As well, the Board funded four scholarships for industry-related studies at the University of Alberta.

Egg prices are set by the Board based on cost of production and differential rates from Manitoba. Producer prices ranged from a high of $1.34 to a low of $1.30. The average producer price was down two cents to $1.32 compared to $1.34 in 1996. The key factor affecting the change was a variation in feed costs.

Alberta Hatching Egg Producers

Alberta Hatching Egg Producers regulate the production of hatching eggs, negotiate prices to be paid to producers, allot production and marketing quotas and represent producers at national agency meetings.

Positive growth in the Alberta boiler hatching egg industry prompted two base allocation increases in 1997-98, making the year one of the most eventful in the 17-year history of the Alberta Hatching Egg Producers (AHEP). Despite the allocation increase, the industry was unable to meet provincial broiler chicken demand, resulting in imports from the United States. Domestically, production fell by approximately 10 per cent, due to factors such as density, myeloid leukosis and bird performance. The base allocation increase prompted development of a Quota Disbursement Policy, intended for growth of the broiler breeder industry in Alberta.

During the year the AHEP continued development of a Total Quality Management (TQM) program to provide a quality product for the broiler chicken industry. The TQM program is based on a Hazard Analysis Critical Control Point Plan, adopted by other parts of the industry. AHEP recognizes the integrated nature of the industry. As such, a common set of guiding principles and a harmonized quality assurance program are needed.

Cooperation between industry members is a necessary component in developing a successful industry formula. As such, the AHEP participated in team building and value chain workshops hosted by Alberta Chicken Producers. It also met with hatcheries/processors to discuss pricing and allocation matters.

Development of the TQM program and a fee-for-service Poultry Veterinary Diagnostic Program are responsibilities the broiler breeder industry has assumed as a result of privatization. Now, accountability and responsibility are firmly based with the private sector.

During 1997-98, the Alberta broiler hatching egg industry saw the development of a quota disbursement and leasing program. These programs will help ensure a more liberalized and flexible industry, thus providing better utilization of domestic production.

Outstanding issues also received AHEP attention. AHEP provided input into the Alberta Municipal Farm Property Taxation proposal, the proposed regulatory framework for Livestock Feeding Operations in Alberta and the Ultra Vires ruling with respect to the Farm Products Marketing Act.

Alberta Pork Producers Development Corporation

The Alberta Pork Producers Development Corporation provides effective promotion and effective control and regulation in all aspects of the marketing of Alberta slaughter hogs.

Alberta's hog industry witnessed the worst price collapse in years during 1998. Producer losses reached $80 per hog at the lowest point. The hog industry lost approximately $43 million of equity in 1998. These losses are based on an industry break-even year. It will take some time for producers to rebuild the losses before the industry can move forward.

The Alberta Pork Producers Development Corporation (APPDC) met with provincial government officials on a number of occasions throughout the year to address the market collapse. Although additional support for the industry was not attained, the Corporation was successful in achieving more timely delivery of the Farm Income Disaster Program and a redesigned Developing Farmer Loan Program to help those producers experiencing severe cash flow problems. This bridge financing program defers principle and interest for up to two years.

Important issues began or concluded in 1998 that will affect producers in future years. A plebiscite of hog producers was conducted in July, asking hog producers to make a choice between the continuation of the open market system or the return to a single desk system. As a result of the July vote the hog industry will remain in open marketing.

The APPDC continued its participation, along with four other livestock groups, in the Livestock Regulatory Review process. The proposal for a new regulatory system includes a separation of technical and land use issues for project approvals. There also will be a compliance and enforcement process that will allow the industry to prosper, provide public confidence and at the same time, protect the environment.

On the marketing and promotions front, the APPDC introduced a new logo in 1998. It will become an integral part of the organization's public image and will be used in promotional activities.

During the year pork promotion continued to focus on consumer marketing, retailers, food service operators and wholesalers. Building on the success of two previous television advertising campaigns, the APPDC produced a new 30-second commercial. A merchandising program was created to assist retailers in presentation of new BBQ items. Food service continued to be a growth sector for pork promotion. Alberta pork productions were featured at more than 140 restaurants in 1998. As well, support continued to more than 200 independent meat markets and all registered abattoirs throughout Alberta and B.C.

In 1998 the APPDC commissioned a consumer awareness research project. Its objective was to measure the awareness of advertising and find out what consumers thought of pork products. Research showed that overall awareness of pork advertising was very high. However it showed public concern over fat and cholesterol content of pork. To address this concern, the APPDC hired a registered dietician to develop and implement nutrition education programs.

Alberta Pulse Growers Commission

The Alberta Pulse Growers Commission provides responsible leadership in the development of a progressive, viable pulse industry in Alberta.

During 1997-98 the Alberta Pulse Growers Commission continued its efforts to expand the pulse market on a provincial and an international basis.

Peas and canola are excellent feedstuffs for the Alberta pork industry. The Alberta Pulse Growers Commission worked with the Alberta Canola Producers, CARDF, Agricore and AgraLink to extend information to pork producers. The project had two components. First, a survey collected information on the use of peas and canola in the Alberta pork industry. Second, one-on-one consultations were completed with 43 hog producers by qualified nutritionists providing more information about peas and canola in hog diets.

Alberta Pulse Growers continued their efforts in international market development with their partners – Saskatchewan Pulse Growers, Manitoba Pulse Growers Association, Ontario Bean Growers and Canadian Special Crops Association. Feeding trials were completed in China and the Philippines. Newsletters were distributed and meetings conducted in many countries where feed peas have market potential. Pulse Canada also worked to reduce trade barriers for Canadian pulse crops into many countries.

With the assistance of CARDF, the Alberta Pulse Growers Commission operated a successful promotion for new growers of pulse crops. First-time growers throughout the province were offered production information and discounts on crop inputs. The theme of the project, 'Pulse Crops Complete Your Rotation', highlighted the benefits of pulse crops in the farm operation.

In 1998 Alberta Pulse Growers Commission, along with Alberta Agriculture, Food and Rural Development, began a listing of feed peas for sale on the provincial department's Web site – Ropin' the Web. Alberta Pulse Growers actively solicited listing from growers to ensure a strong start to the service.

During the year agronomic research continued to be a focal point for the commission as it contributed $125,000 towards research projects.

Alberta Sheep & Wool Commission

The Alberta Sheep & Wool Commission initiates, supports or conducts programs that stimulate, increase and improve the economic well being of the sheep industry by developing better marketing methods, grading standards, and research and development programs.

Over the past year the Alberta Sheep & Wool Commission (ASWC) developed a comprehensive business plan for the Alberta sheep industry. The plan includes information on the Canadian sheep industry, the direction of the ASWC and activities of the main sheep groups operating in the province. The business plan is structured so that sheep groups and individual producers can easily provide input to help set the direction and activities for the ASWC. It also presents and priorizes projects in marketing, extension and sheep research as well as industry support and development.

1998-99 was the pilot year for the Assured Quality Flock Health Program (AQFHP). More than 40 producers were actively involved in the program and more than 150 producers requested information on it. The primary goal for the year was to field test the program, receive feedback from producers and train local veterinarians on implementation.

In cooperation with Alberta Agriculture, Food and Rural Development, the Commission ran workshops on identifying sheep diseases and conducting postmortems. The workshop also dealt with how the B.C. Forestry Grazing certification will be combined with the AQFHP.

The Western Canadian Sheep Production Manual was completed as a joint effort among the ASWC, the South Saskatchewan Wool Growers, and the Saskatchewan Sheep Development Board with funding from Alberta Agriculture, Food and Rural Development. First published in 1977, the manual was expanded and updated to provide more relevant information on sheep production. It gathers the best available information on the art and science of shepherding so that western producers can make the best management decisions possible. From information on how and what to feed, to the management and treatment of sheep diseases, the manual offers something for new, as well as established shepherds.

During the year a new communications strategy called the Sheep Extension Network (SEN) was formed to improve communications and help coordinate extension events involving all Alberta sheep groups. Acting as the coordinating body, the ASWC keeps sheep groups informed and up-to-date on extension materials, events and projects.

During 1998-99 the ASWC updated its database and asked producers to rate its performance. Of producers surveyed, 88% were happy with the current performance of the ASWC. Producers said they want more extension support and more marketing activities.

Research continues to be an important component of the ASWC business plan. During the year it supported research and technology transfer into boluses for permanent identification, satellite monitoring of the effectiveness of sheep for brush control, and grazing season extension.

Alberta Soft Wheat Producers Commission

The Alberta Soft Wheat Producers Commission develops and implements projects and programs to increase and improve production, promotes research and improves marketing of Alberta-grown soft white spring wheat.

Alberta's soft wheat industry experienced a low ebb in 1998, due to low prices, declining acres and a poor crop year. Heat stress resulted in a lower crop yield, lighter bushel weight as well as higher protein.

The initial price received by producers for soft white spring wheat was less than $2 per bushel, once freight and handling were deducted. In response, the Alberta Soft Wheat Producers Commission (ASWPC) wrote to the Canadian Wheat Board (CWB) protesting the low initial price for quality milling wheat. Later presentations to the CWB dealt with price and the fact that even a 20 per cent increase yield factor for soft wheat could not bring net returns up to the level of hard red spring wheat.

Overall, the soft wheat industry in western Canada is in a period of significant decline, resulting in difficult choices ahead for the ASWPC.

One of major concerns of the Commission is research funding. As a result of declining check-off funds, the ASWPC applied to the Western Grains Research Foundation for full membership. A formal presentation will be made in 1999.

To help alleviate industry difficulties, the ASWPC will ask for interim licensing of SW228, a substantially higher yielding variety that will help offset price decline. Normally, cultivars require three years of data before licensing is considered. However SW228 has shown a consistent high yield performance with acceptable quality, particularly for the flat bread markets. By licensing this variety, commercial production can occur.

AC Phil began full commercial production in 1998. It has yield potential combined with resistance to stripe rust, lodging and shattering. As well, AC Nanda received full registration in 1997. It is a new soft white spring wheat cultivar that has resistance to bunt, adult-plant resistance to stripe rust, moderate resistance to powdery mildew and better resistance to black point than other varieties. The U.S. cultivar Fielder will continue to serve the needs of the industry until certified seed of AC Nanda becomes available for commercial production. Licencing of Fielder will be reviewed in 2001.

In all, 27 breeding lines developed at Lethbridge were evaluated in the western Soft White Spring Wheat Cooperative Tests. The tests were conducted in six locations. End-use quality characteristics of these lines are being analyzed at the Canadian Grain Commission. The most promising lines with desirable agronomic traits and disease resistance will be identified for further evaluation.

The soft wheat breeding program may hold the key to realizing the industry's vision of making soft wheat the number one cereal of choice on irrigation. The ASWPC continues to encourage domestic mills to pay a premium for quality soft wheat.

ASWPC, together with the province of Alberta and the City of Lethbridge, initiated a feasibility study in 1998 on the end uses of soft wheat. Hopefully, the study will attract end-users of soft wheat to the area, providing value added processing and additional markets.

Alberta Sugar Beet Growers

The Alberta Sugar Beet Growers Marketing Board negotiates prices to be paid to producers, allots production quotas and aims to improve and increase the production and marketing of sugar beets.

Alberta sugar beet producers celebrated their largest crop ever in 1998, with an average yield of 23.32 tonnes per acre. Tonnage exceeded the previous five-year average yield of 19.64 tonnes.

In order to ensure Alberta's economic advantage as a low-cost supplier of sugar, research and development initiatives continued to be a focus of the sugar beet marketing board. Eight projects were approved through the Industry Development Fund, established as a result of the growers' early exit from the National Tripartite Stabilization Program. The provincial and federal governments each contributed one-half years' premium to establish the fund.

1998 projects, which totalled $1.3 million, centred on the ventilation and storage of sugar beets, development of products for pre-and post-emergent damping off as well as residue in conservation tillage cropping systems. In addition, a portion of the Industry Development Fund was used to update an informational and promotional video describing Alberta's sugar beet industry.

Of particular note was the establishment of a project to bring 25,000 more tonnes of sugar beets under ventilation. Rogers Sugar also made a contribution to the project and effectively doubled the amount of beets under ventilation. To date, there are approximately 100,000 tonnes of beets under ventilation in the Taber piling grounds. With the volume of beets produced during the 1998 crop year, the ventilation project will be an important asset to producers.

During the year the sugar beet marketing board participated in a number of trade-related initiatives. Early in 1998 the Alberta and Manitoba agriculture departments prepared a trade background paper at the request of the Canadian Sugar Beet Producers' Association Inc. The paper analyzed the current trade policy environment affecting the Canadian sugar industry and identified alternative trade policy options available to Canadian decision-makers for enhancing the growth and competitiveness of the sugar beet industry in Canada. The background paper concluded that further trade liberalization is required.

In order to raise the profile of the sugar beet industry, Alberta growers joined the Canadian Alliance of Agri-Food Exporters. Its purpose is to bring together organizations with a common dependence on international trade. Alberta growers remain heavily involved with Canadian Federation of Agriculture and may join the World Association of Beet and Cane Growers.

In December 1998 a comprehensive agreement was achieved between Canada and the United States to further enhance trade rather than restrict it. Of importance to Alberta was the agreement to recognize export certificates issued by Canada for sugar-containing products.

The year also saw the completion of the first phase of a two-year factory and acreage expansion plan. Unfortunately, expansion of the Taber processing plant did not proceed as planned, hampering expected production results.

To enhance communication with producers, the board developed a 1-800 number for growers, an e-mail system and a Web site.

Alberta Turkey Producers

The Alberta Turkey Producers regulates the production of turkeys, allots production and marketing quotas and represents producers at national agency meetings.

Research, promotion and industry development continued to be an important part of the Alberta Turkey Producers' (ATP) agenda in 1998.

New regulations saw several producers aggressively pursue the new production cap and take advantage of new lease provisions. The ATP continues to support the development of regulations and policies which will help ensure the Alberta turkey industry can face future challenges.

Export policy continues to be most aggressive and accessible for licensed producers. The Alberta board supports the export of value-added products as opposed to live products from Alberta.

Over time the ATP is taking on more financial responsibilities relating to the production of turkey. For instance, ATP decided to financially support diagnostic laboratories in partnership with other feather boards and the provincial government. As well, ATP is responsible for the verification of slaughter and production volumes from plants.

On the trade front, the ATP continued to work with the Canadian Turkey Marketing Agency to ensure that a strong voice for agriculture is heard during the trade talks.

Pricing issues were not as major in 1998 compared to previous years. Improved margins and increased product flow helped mitigate pricing conflicts in western Canada. The ATP prices at Ontario price levels, ensuring local processors continue to receive primary inputs at competitive prices.

The ATP met with other western boards in 1998 to discuss allocation issues, however, the boards were unsuccessful in agreeing on a new allocation system. The ATP continued to stress the need to price relative to the much larger Ontario market. The board continued to aggressively pursue a quota allocation method which will allow growth to occur where it is best suited to meet the needs of the Canadian marketplace.

An important part of the ATP agenda centres on its marketing activities. ATP promotes the consumption of turkey parts and positions turkey as a year-round meal choice. The goal is to equip consumers with information and recipes so they are able to choose turkey parts as an everyday meal alternative. The board uses a variety of programs including in-store demonstrations, trade shows, cooking demonstrations, recipe development and media coverage.

In 1998, $103,178 was spent on turkey advertising and promotions in Alberta and $11,200 on research grants.

The ATP continues to support industry research through grants to the Poultry Research Centre, located at the University of Alberta. The centre, nearing completion, has been heavily supported by the provinces' four feather boards. The turkey producers have pledged $50,000 towards the capital costs to be paid over the next five years. It also contributes an annual grant of $10,250 towards maintenance of the Poultry Research Centre.

Alberta Vegetable Growers (Processing)

The Alberta Vegetable Growers (Processing) negotiates prices with processors and the terms of an annual agreement on behalf of the producers of vegetables grown for processing.

Alberta's vegetable growers face the constant challenge of harvesting vegetable crops at peak quality and optimum yield. The window for achieving both is often narrow, as witnessed in 1998. However, despite some weather challenges, crops yeilded well. Peas yielded average with good grades. Corn yields were above average and carrot yields varried.

The announcement of Lamb-Weston's potato processing plant and a similar facility for McCain Foods was good news overall of the food processing industry in southern Alberta. The Alberta Vegetable Growers (Processing) provided information to both companies regarding vegetable processing, however, both plants remain fixed solely on the potato market. Overall, the frozen processing vegetable industry in North America continues to undergo reconcilliation with regard to plant closures, purchases and free trade.

Due to the unavailability of quality pheromone lures, the European Corn Borer Monitoring Project did not take place in 1998. Plans are underway to secure appropriate lures for the 1999 season.

The Board remains a member of the Southern Alberta Food Processing Initiative Consortium (SAFPIC) which continues to promote the attraction of food processing industry to southern Alberta. The Board is also represented at the North American Processing Vegetable Conference, which is completely specific to vegetable processing and provides a valuable resource of information and contacts.

A Board director also is a member of Alberta Safety Net Coalition, which meets to further evaluate the effectiveness of safety net programs. Other memberships include the Canadian Horticultural Council, The Council of Alberta Horticultural Industries and the Alberta Agriculture, Food and Rural Development's Horticultural Product Team.

Alberta Winter Wheat Producers Commission

The Alberta Winter Wheat Producers Commission develops and implements projects and programs to increase and improve production and marketing of Alberta-grown winter wheat.

The number of acres sown to winter wheat continues to increase in Alberta, expanding north of traditional zones. This is due to the winning combination of improvements to winter wheat varieties – higher yields and in some cases higher protein – and the practice of direct seeding. As a result, new varieties such as CDC Clair, CDC Osprey and AC Tempest are growing in recognition.

A larger acreage base has meant the potential to fill more market applications for winter wheat. There is potential for feed winter wheat to become common in the hog industry. As well, the quality of winter wheat fits the requirements of the Asian noodle market. The Alberta Winter Wheat Producers Commission (AWWPC) continues to pursue new markets for winter wheat.

Research in the central and Parkland areas of the province has resulted in the registration of new varieties each year, providing growers with opportunities to expand winter wheat crops into non-traditional areas. Continued financial support will be required for breeding and agronomic research, such as those conducted in the Ellerslie area.

The AWWPC continues to press the Canadian Wheat Board (CWB) on two fronts. First, it has lobbied the CWB for a fair price on winter wheat comparable to other wheats. Second, it has worked in conjunction with Winter Cereals Canada Inc., suggesting that the CWB use winter wheat as a 'trial crop' in its proposed Identity Preserve Program.

The AWWPC uses regional and annual meetings as opportunities for producers to have direct input into its operations. Also, it publishes *The Germinator* four times yearly to update producers and industry about topics pertaining to the entire wheat industry. A special edition of *The Germinator* outlined changes to the AWWPC's marketing plan as part of a regulatory review process.

Potato Growers of Alberta

The mission of the Potato Growers of Alberta is to create success in Alberta's potato industry supporting sustainable production, marketing, development and cooperation.

A new era in the Alberta potato industry began in 1997-98 with announcements of two major processing plants planned for southern Alberta.

The Lamb-Weston and McCain Foods french fry facilities, with combined investments of close to $400 million, could boost annual potato production in Alberta to 50,000 acres per year, as well as create close to 400 new jobs. As well, Lamb-Weston hopes to double its plant size within years. The Potato Growers of Alberta (PGA) played a significant role in advocating that funds from the Alberta government's infrastructure program be allotted to these projects.

Also in 1997-98, Hostess Frito-Lay announced that their Taber plant would now export chips into the United States. As well, it established a new frozen, sliced and diced potato operation for the Asian export market.

The potato seed market in China and Taiwan appears to be strong. As well, the PGA looks forward to progress on federal-provincial negotiations for seed potato exports to Mexico.

The PGA's marketing aim is to sell more Alberta-grown potatoes into new markets at a higher price. As such, it launched a food service marketing program, pursuing funds from the Canadian Adaptation and Rural Development program. Overall, the PGA wants to develop $20 billion of value-added agriculture commodities by the year 2005. For growers, the increase in new processing and seed potato acres will help ensure profitable production over the long haul.

Internally, the PGA refined its regulations in 1997-98 shifting its focus from regulatory matters to marketing. The change will ensure its ability to help grow Alberta's potato industry.

Also during the year, the PGA provided input on issues such as the Alberta Municipal Farm Property Taxation proposal, Canadian Food Inspection Agency seed potato regulations, United States border disputes and the upcoming World Trade Organization trade negotiations in 1999.

Development continued with Alberta Seed Potato Inc. (ASPI) private variety programs. ASPI was initiated by Alberta seed potato growers and established as a company with the assistance of PGA staff. ASPI successfully acquired five new genetically enhanced varieties in addition to acquiring four traditional varieties. With the acquisitions, ASPI now owns 15 new varieties. The first field trials were conducted this year.

During 1997-98, the PGA continued its involvement with the Alberta Potato Committee, jointly formed with Alberta Agriculture, Food and Rural Development. The committee provides guidance and support for future research and program development.

Boards and Commissions – Contact Information

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